

BILL NO. S-97-10- 29

SPECIAL ORDINANCE NO. S-99-97

**AN ORDINANCE RATIFYING AND
APPROVING CONTRACTS FOR HEALTH
AND LIFE INSURANCE POLICIES.**

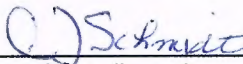
WHEREAS, Chapter 37, Sec. 37.21 of the Municipal Code of the City of Fort Wayne, Indiana, requires the approval of the Common Council for insurance policies exceeding \$10,000 per year.

**NOW, THEREFORE, BE IT ORDAINED BY THE COMMON COUNCIL OF
THE CITY OF FORT WAYNE, INDIANA, THAT:**

SECTION 1. The following health, disability and life insurance contracts for the City of Fort Wayne, Indiana, are hereby approved and ratified:

1. AUTOMATED GROUP ADMINISTRATION, INC. (AGA) - (indemnity health insurance plan and preferred provider organization plan)
2. COMMONWEALTH - (reinsurance coverage)
3. PARTNERS - (health maintenance organization plan)
4. PHYSICIANS HEALTH PLAN - (health maintenance organization plan)
5. STANDARD LIFE INSURANCE COMPANY - (life and accidental death/dismemberment)
6. STANDARD LIFE INSURANCE COMPANY - (long term disability plan)

SECTION 2. That this Ordinance shall be in full force and effect from and after its passage and any and all necessary approval by the Mayor.


Councilmember

APPROVED AS TO FORM
AND LEGALITY


J. Timothy McCauley, City Attorney

DIGEST SHEET

TITLE OF ORDINANCE ORDINANCE

DEPARTMENT REQUESTING ORDINANCE RISK MANAGEMENT/CONTROLLER

SYNOPSIS OF ORDINANCE APPROVES HEALTH, DISABILITY AND LIFE
INSURANCE CONTRACTS FOR EMPLOYEES OF THE CITY OF FORT WAYNE.

EFFECT OF PASSAGE COVERAGE IS IN EFFECT.

EFFECT OF NON-PASSAGE CITY EMPLOYEES ARE WITHOUT COVERAGE.

MONEY INVOLVED (DIRECT COSTS, EXPENDITURES, SAVINGS) ASSIGNED TO
COMMITTEE (PRESIDENT) _____

MEMORANDUM
LAW DEPARTMENT

TO: MEMBERS OF THE CITY OF FORT WAYNE COMMON COUNCIL
FROM: KATHY FRIEND, CONTROLLER
DATE: OCTOBER 27, 1997
SUBJECT: 1998-2000 EMPLOYEE HEALTH, LIFE AND DISABILITY PROGRAMS

INTRODUCTION

Fort Wayne Common Council Ordinance G-04-91 requires the City to seek requests for proposals every two (2) years on insurance contracts with the City. As a result, the City has received requests for proposals for the City's 1998-1999 employee health, life and disability package. The following recommendations are made:

1. **HEALTH INSURANCE/REINSURANCE**

- A. Indemnity and PPO (preferred provider)/Reinsurance: The City offers a basic \$250 deductible indemnity health insurance plan and a preferred provider plan. Currently, the City is self-insured with a reinsurance plan that protects against claims that exceed \$150,000 per employee. The present administrator is Acordia with the reinsurance purchased through Boston Mutual. The 1997 administrative costs are \$210,813 (\$61,106 in reinsurance premium and \$149,707 in administrative costs). For 1998-1999, five (5) proposals were received: Acordia, KBA, AGA, Midwest Health Net and Calends. The AGA proposal is recommended. This proposal represents a savings of almost \$477,000 over the current carriers bid, but an increase from the previous year's bid by \$346,958. This increase is due to the last several years' experience.

2. **HMO ALTERNATIVES:** Currently, the City offers two (2) HMO choices to employees through Partners Plan and Physicians Health Plan.

The recommendation is to renew both Partners and Physicians Health Plan. The employee's co-pay is adjusted so that the City contributes no more to an HMO premium than it expects to pay on the indemnity and PPO plans.

3. **LIFE INSURANCE/ACCIDENTAL DEATH AND DISABILITY:** The current carrier is Standard Insurance with an annual cost of \$95,604. The rates are \$.29/\$1000 for life and \$.05/\$1000 for accidental death and disability. For 1998, Standard Insurance Company again proposes rates of \$.29/\$.05 for an annual cost of \$95,604. The Standard offer is contingent on also being selected the carrier for long term disability. Guaranty Life offered a bid at the rate of \$.33/\$.06 for an annual cost of \$127.117. The Standard Insurance Company proposal is recommended.

4. **LONG TERM DISABILITY:** The current carrier is Standard Insurance with an annual cost of \$134,148. The current plan pays 60% to \$5000 with five (5) years of own occupation protection. The Standard renewal for the same coverage is \$151,246 (\$.49/\$1000). Guarantee Life submitted a bid for \$157.419. The Standard proposal is recommended.

CONCLUSION:

Approving the recommendations concerning the health, life and disability employee package will cost

approximately \$21,460 more, or 5%, in premium and administrative costs. Of course, as the City is self-insured for the indemnity and preferred provider plans, any overall increase or savings is dependent on claims experience.

Suspension of Rules

Read the first time in full and on motion by Belmont,
and duly adopted, read the second time by title and referred to the Committee on
Finance, (and the City Plan Commission for recommendation)
and Public Hearing to be held after due legal notice, at the Common Council Conference
Room 128, City-County Building, Fort Wayne, Indiana, on _____,
the _____ day of _____, 19____, at _____
o'clock _____ M., E.S.T.

DATED: 10-28-97

SANDRA E. KENNEDY, CITY CLERK

Read the third time in full and on motion by Belmont,
and duly adopted, placed on its passage. PASSED LOST
by the following vote:

	AYES	NAYS	ABSTAINED	ABSENT
TOTAL VOTES	<u>8</u>		<u>1</u>	
BENDER	<u>✓</u>			
CRAWFORD	<u>✓</u>			
EDMONDS	<u>✓</u>			
HALL	<u>✓</u>			
HAYHURST	<u>✓</u>			
HENRY			<u>✓</u>	
LUNSEY	<u>✓</u>			
RAVINE	<u>✓</u>			
SCHMIDT	<u>✓</u>			

DATED: 10-28-97

SANDRA E. KENNEDY, CITY CLERK

Sandra E. Kennedy, City Clerk

Passed and adopted by the Common Council of the City of Fort Wayne, Indiana,

as (ANNEXATION) _____ (APPROPRIATION) _____ (GENERAL) _____ (SPECIAL) _____
(ZONING) _____ ORDINANCE _____ RESOLUTION NO. S-99-97
on the 28th day of October, 19 97

ATTEST:

SEAL

Sandra E. Kennedy
SANDRA E. KENNEDY, CITY CLERK

Thomas E. Henry
PRESIDING OFFICER

Presented by me to the Mayor of the City of Fort Wayne, Indiana, on the

29th day of October, 19 97
at the hour of 11:00 o'clock P. M., E.S.T.

Approved and signed by me this

2-2

day

of November, 19 97, at the hour of 9:00
o'clock P. M., E.S.T.

PAUL HELMKE
PAUL HELMKE, MAYOR

SUSPENSION OF RULES

BILL NO. S-97-10-29

COUNCIL MEMBER D. Schmidt, **MOVED TO SUSPEND THE RULES FOR THE PASSAGE OF BILL NO.** S-97-10-29, **AT THE COMMON COUNCIL MEETING OF THE CITY OF FORT WAYNE, INDIANA, HELD ON THE** 28th, **DAY OF** October, **19** 97, **SAID MOTION WAS SECONDED BY COUNCIL MEMBER** Hayhurst, **AND DULY PASSED BY A MAJORITY VOTE OF ALL LEGALLY ELECTED MEMBERS OF THE COMMON COUNCIL. THE ABOVE BILL NO.** S-97-10-29 **WAS THEN PLACED ON PASSAGE.**

DATED: 10-28-97

SANDRA E. KENNEDY, CITY CLERK

PRESIDING OFFICER

	<u>AYES</u>	<u>NAYS</u>	<u>ABSTAINED</u>	<u>ABSENT</u>
<u>TOTAL VOTE</u>	<u>8</u>	<u> </u>	<u> </u>	<u> </u>
<u>BENDER</u>	<u>✓</u>	<u> </u>	<u> </u>	<u> </u>
<u>CRAWFORD</u>	<u>✓</u>	<u> </u>	<u> </u>	<u> </u>
<u>EDMONDS</u>	<u>✓</u>	<u> </u>	<u> </u>	<u> </u>
<u>HALL</u>	<u>✓</u>	<u> </u>	<u> </u>	<u> </u>
<u>HAYHURST</u>	<u>✓</u>	<u> </u>	<u> </u>	<u> </u>
<u>HENRY</u>	<u>✓</u>	<u> </u>	<u> </u>	<u> </u>
<u>LUNSEY</u>	<u>✓</u>	<u> </u>	<u> </u>	<u> </u>
<u>RAVINE</u>	<u>✓</u>	<u> </u>	<u> </u>	<u> </u>
<u>SCHMIDT</u>	<u>✓</u>	<u> </u>	<u> </u>	<u> </u>

PASSED AND ADOPTED BY THE COMMON COUNCIL OF THE CITY OF FORT WAYNE, INDIANA ON 10-28-97, **BILL NO.** S-97-10-29

DATED: 10-28-97

Sandra E. Kennedy
SANDRA E. KENNEDY, CITY CLERK

Wanda E. Hoff, Deputy Clerk
Wanda E. Hoff, Deputy Clerk

BILL NO. S-97-10-29

REPORT OF THE COMMITTEE ON FINANCE

DONALD J. SCHMIDT - JOHN N. CRAWFORD - CO-CHAIR
ALL COUNCIL MEMBERS

WE, YOUR COMMITTEE ON FINANCE TO WHOM WAS
REFERRED AN (ORDINANCE) ~~(RESOLUTION)~~ ratifying and approving
contracts for Health and Life Insurance policies

HAVE HAD SAID (ORDINANCE) ~~(RESOLUTION)~~ UNDER CONSIDERATION
AND BEG LEAVE TO REPORT BACK TO THE COMMON COUNCIL THAT SAID
(ORDINANCE) ~~(RESOLUTION)~~

DO PASS

DO NOT PASS

ABSTAIN

NO REC

[Signature]

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DATED: 11-28-97

Sandra E. Kennedy
City Clerk